

COMMONWEALTH OF VIRGINIA
DEPARTMENT OF THE TREASURY

#RM 08-016

for

Watercraft Hull Insurance and Loss Control Services

J. Braxton Powell
Treasurer of Virginia

Kelley S. Denton, VCO
Procurement Officer

June 2, 2008

NOTE: This public body does not discriminate against faith-based organizations in accordance with the *Code of Virginia*, §2.2-4343.1 or against an offeror because of race, religion, color, sex, national origin, age disability, or any other basis prohibited by state law relating to discrimination in employment.

INVITATION FOR BIDS
IFB #RM 08-016

ISSUE DATE: June 2, 2008

TITLE: Watercraft Hull Insurance and
Loss Control Services

ISSUING AGENCY: Commonwealth of Virginia
Department of the Treasury
P.O. Box 1879
Richmond, Virginia 23218-1879
Attn: Kelley S. Denton, VCO

USING AGENCY: Same as Above

Contractor shall provide watercraft hull insurance in accordance with the requirements and terms and conditions provided herein.

Sealed bids will be received until **1:00 p.m. on June 13, 2008** for furnishing the services described herein, and then opened in public.

All inquiries for information shall be directed to: Kelley S. Denton, VCO, Procurement Officer, (804) 786-4741, fax (804) 225-3187, e-mail: kelly.denton@trs.virginia.gov. Written (e-mail) inquiries are preferred.

If bids are mailed: Mail directly to issuing agency shown above, adding one line to the bottom of the address as follows: Bid for Watercraft Hull Insurance, IFB #RM 08-016.

If bids are hand delivered: Deliver to: Bid for Watercraft Hull Insurance, IFB #RM 08-016, Commonwealth of Virginia, Department of the Treasury, James Monroe Building - 3rd Floor, 101 North 14th Street, Richmond, Virginia 23219, Attn: Kelley S. Denton, VCO.

In compliance with this Invitation for Bids and to all the conditions imposed therein and hereby incorporated by reference, the undersigned offers and agrees to provide Watercraft Hull Insurance and Loss Control Services in accordance with the attached signed bid.

Bidder's Name:	By (Signature in Ink):
Complete Address:	Name and Title (print):
	Date:
City/State/Zip:	Federal ID Number:
Telephone Number:	Fax Number:

TABLE OF CONTENTS
IFB #RM 08-016
WATERCRAFT HULL INSURANCE AND LOSS CONTROL SERVICES

SECTION I: PURPOSE.....	1
SECTION II: SCOPE OF SERVICES	1
SECTION III: GENERAL TERMS AND CONDITIONS	4
SECTION IV: SPECIAL TERMS AND CONDITIONS.....	10
SECTION V: METHOD OF PAYMENT	12
SECTION VI: PRICING SCHEDULE	13
SECTION VII: ATTACHMENTS	14
ATTACHMENT A - Schedule of Watercraft	
ATTACHMENT B - Watercraft Loss History	
ATTACHMENT C - Watercraft Navigation Schedule	
ATTACHMENT D - Contractor Data Sheet	

SECTION I. PURPOSE:

The purpose of this Invitation for Bids (IFB) is to solicit sealed bids to establish a contract with one qualified agent, hereafter referred to as the Bidder/Contractor, to provide watercraft hull insurance and loss control services for the Department of the Treasury, Division of Risk Management (TRS/DRM), an agency of the Commonwealth of Virginia, hereafter referred to as the Owner. Insurance companies providing coverage will be subcontractors to the (Contractor) insurance agency.

SECTION II. SCOPE OF SERVICES:

A. WATERCRAFT REQUIREMENTS: The Contractor shall provide hull insurance coverage and loss control services on all watercraft vessels now owned or subsequently acquired by the Commonwealth. A current list of vessels is provided as Attachment A. Contract requirements include:

1. The Contractor shall provide a binder of coverage within 10 calendar days of award of this contract. The binder shall outline coverages, including limits and deductibles.
2. The Contractor shall submit the original copy of the policy no later than 45 days after award of the contract. A complete signed policy shall be issued, for each year of coverage. Signed endorsements shall be provided within 30 calendar days of each policy change.
3. Annual renewing policy schedules of the watercraft shall be submitted to the Commonwealth no later than May 15 each year of contract.
4. The Named Insured shall be The Commonwealth of Virginia and others.
5. Hull limits and deductibles are based on the actual cash values as indicated in Attachment A, Schedule of Watercraft.
6. Lay up return rates shall be 1% of premium for each 15 consecutive days laid up in port for all vessels except the ferries at 2.75% not under repair and 1.375% under repair.
7. Loss control services designed to prevent accidents shall be conducted on each watercraft between October 1, 2008 – July 31, 2009 and August 1, 2010 – August 31, 2011. Services shall include, but not be limited to, evaluation of the skippers' qualification, selection and training needs, water operations, selection and use of equipment and maintenance activities and other exposures as indicated.
8. Marine condition and valuation survey reports to include photographs shall be completed on all vessels owned as of July 1 of each year and any other newly acquired vessel.
9. Within 60 days of the start of the contract, the Contractor shall present to TRS/DRM a plan and schedule of loss control services, including inspections. Such activities shall commence before October 1, 2008.
10. Following each scheduled or non-scheduled loss control activity or inspection, the contractor shall provide a written report of the activity to the inspected agency and the Division of Risk Management within 30 days. In the event of multiple loss control activities or inspections,

separate reports will be produced for each loss control activity or inspection.

B. VESSEL UTILIZATION INFORMATION: The vessels listed in Attachment A, Schedule of Watercraft, are used for the following purposes:

1. Virginia Marine Resources Commission (VMRC): Used to regulate the commercial seafood industry and enforce water pollution requirements.
2. University of Virginia (UVA): Used for environmental research and academic activities.
3. Department of Transportation (VDOT): Operates ferries between Jamestown and Scotland, Virginia on the James River. Fees are charged for this service.
4. Virginia Institute of Marine Science (VIMS): Used for aquatic research on the Chesapeake Bay and its tributary rivers.
5. George Mason University (GMU): Used for biology research and academic activities.
6. Old Dominion University (ODU): Used for oceanographic and academic activities.
7. Jamestown-Yorktown Foundation (J-YF): Historic replicas of the originals principally used for display at Jamestown.
8. Tidewater Community College (TCC): Used for oceanographic and academic activities.

C. LOSS INFORMATION: Attachment B lists reported losses for the Commonwealth.

D. ALLOCATION OF PREMIUM: Upon award of the contract and annually thereafter, the Contractor shall furnish TRS/DRM a recommendation plan for allocation of the premium among the different exposures. This allocation shall be expressed in whole dollars and a percentage of the overall policy premium to be charged each vessel and each state agency.

E. PERIODIC REVIEWS: The Contractor shall meet with TRS/DRM upon delivery of the policy and annually no less than 60 days prior to June 30. The purpose is to review exposures, losses, premiums, loss control activity, insurance market conditions and other issues to insure adequacy of coverage. Meetings with individual state agencies will be scheduled as appropriate.

F. LOSS CONTROL: Loss control inspections or surveys shall be coordinated with TRS/DRM. An initial and exit briefing shall be conducted with the designated representative of the state agency. All copies of the resulting report shall be forwarded to the agency and TRS/DRM within 30 days of the inspection or survey. Customary trade formats shall be used to submit these reports.

G. CLAIM REPORTS: Loss runs shall be submitted to TRS/DRM annually by June 30 each year of the contract and/or as otherwise requested. Reports are to be inclusive of all claims for life of the contract. Separate reports for hull damage claims in excess of \$10,000 shall be sent as they occur and be included in the annual report. Reports shall include the state agency name, code, vessel involved, date of loss, reserve and paid amounts, a brief description of the claim and other pertinent

information. Loss reports shall be submitted until all claims are closed, regardless of the status of this contract. Customary trade formats shall be used to submit these reports.

- H. **QUALIFICATIONS:** The Contractor shall have a minimum of 10 years' experience in providing Watercraft Hull Insurance and Loss Control Services. The Principal serving as contact for the Contractor shall have a minimum of 5 years of providing Watercraft Hull Insurance and Loss Control Services.

SECTION III: GENERAL TERMS AND CONDITIONS

- A. **VENDORS MANUAL:** This solicitation is subject to the provisions of the Commonwealth of Virginia *Vendors Manual* and any changes or revisions thereto, which are hereby incorporated into this contract in their entirety. The procedure for filing contractual claims is in section 7.19 of the *Vendors Manual*. A copy of the manual is normally available for review at the purchasing office and is accessible on the Internet at www.dgs.state.va.us/dps under "Manuals."
- B. **APPLICABLE LAWS AND COURTS:** This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The agency and the contractor are encouraged to resolve any issues in controversy arising from the award of the contract or any contractual dispute using Alternative Dispute Resolution (ADR) procedures (*Code of Virginia*, § 2.2-4366). ADR procedures are described in Chapter 9 of the *Vendors Manual*. The contractor shall comply with all applicable federal, state and local laws, rules and regulations.
- C. **ANTI-DISCRIMINATION:** By submitting their proposals, offerors certify to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and § 2.2-4311 of the *Virginia Public Procurement Act (VPPA)*. If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (*Code of Virginia*, § 2.2-4343.1E).

In every contract over \$10,000 the provisions in 1. and 2. below apply:

1. During the performance of this contract, the contractor agrees as follows:
 - a. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

- b. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
 - c. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.
2. The contractor will include the provisions of 1. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

D. ETHICS IN PUBLIC CONTRACTING: By submitting their bids, bidders certify that their bids are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other bidder, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.

E. IMMIGRATION REFORM AND CONTROL ACT OF 1986: By submitting their bids, bidders certify that they do not and will not during the performance of this contract employ illegal alien workers or otherwise violate the provisions of the federal Immigration Reform and Control Act of 1986.

F. DEBARMENT STATUS: By submitting their bids, bidders certify that they are not currently debarred by the Commonwealth of Virginia from submitting bids or proposals on contracts for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.

G. ANTITRUST: By entering into a contract, the contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said contract.

H. MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS FOR IFBs:

Failure to submit a bid on the official state form provided for that purpose shall be a cause for rejection of the bid. Modification of or additions to any portion of the Invitation for Bids may be cause for rejection of the bid; however, the Commonwealth reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a bid as nonresponsive. As a precondition to

its acceptance, the Commonwealth may, in its sole discretion, request that the bidder withdraw or modify nonresponsive portions of a bid which do not affect quality, quantity, price, or delivery. No

modification of or addition to the provisions of the contract shall be effective unless reduced to writing and signed by the parties.

I. CLARIFICATION OF TERMS: If any prospective bidder has questions about the specifications or other solicitation documents, the prospective bidder should contact the buyer whose name appears on the face of the solicitation no later than five working days before the due date. Any revisions to the solicitation will be made only by addendum issued by the buyer.

J. PAYMENT:

1. To Prime Contractor:

- a. Invoices for items ordered, delivered and accepted shall be submitted by the contractor directly to the payment address shown on the purchase order/contract. All invoices shall show the state contract number and/or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).
- b. Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
- c. All goods or services provided under this contract or purchase order, that are to be paid for with public funds, shall be billed by the contractor at the contract price, regardless of which public agency is being billed.
- d. The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.
- e. **Unreasonable Charges.** Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Commonwealth shall promptly notify the contractor, in writing, as to those charges which it considers unreasonable and the basis for the determination. A contractor may not institute legal action unless a settlement cannot be reached within thirty (30) days of notification. The provisions of this section do not relieve an agency of its prompt payment obligations with respect to those charges which are not in dispute (*Code of Virginia*, § 2.2-4363).

2. To Subcontractors:

- a. A contractor awarded a contract under this solicitation is hereby obligated:
 - (1) To pay the subcontractor(s) within seven (7) days of the contractor's receipt of payment from the Commonwealth for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or
 - (2) To notify the agency and the subcontractor(s), in writing, of the contractor's intention to withhold payment and the reason.
- b. The contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by the contractor that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for amounts withheld as stated in (2) above. The date of mailing of any

payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier contractor performing under the primary contract. A contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Commonwealth.

3. Each prime contractor who wins an award in which provision of a SWAM procurement plan is a condition to the award, shall deliver to the contracting agency or institution, on or before request for final payment, evidence and certification of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the SWAM procurement plan. Final payment under the contract in question may be withheld until such certification is delivered and, if necessary, confirmed by the agency or institution, or other appropriate penalties may be assessed in lieu of withholding such payment.

K. PRECEDENCE OF TERMS: The following General Terms and Conditions *VENDORS MANUAL*, *APPLICABLE LAWS AND COURTS*, *ANTI-DISCRIMINATION*, *ETHICS IN PUBLIC CONTRACTING*, *IMMIGRATION REFORM AND CONTROL ACT OF 1986*, *DEBARMENT STATUS*, *ANTITRUST*, *MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS*, *CLARIFICATION OF TERMS*, *PAYMENT* shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.

L. QUALIFICATIONS OF BIDDERS: The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the bidder to perform the services/furnish the goods and the bidder shall furnish to the Commonwealth all such information and data for this purpose as may be requested. The Commonwealth reserves the right to inspect bidders's physical facilities prior to award to satisfy questions regarding the bidders's capabilities. The Commonwealth further reserves the right to reject any bid if the evidence submitted by, or investigations of, such bidder fails to satisfy the Commonwealth that such bidder is properly qualified to carry out the obligations of the contract and to provide the services and/or furnish the goods contemplated therein.

M. TESTING AND INSPECTION: The Commonwealth reserves the right to conduct any test/inspection it may deem advisable to assure goods and services conform to the specifications.

N. ASSIGNMENT OF CONTRACT: A contract shall not be assignable by the contractor in whole or in part without the written consent of the Commonwealth.

O. CHANGES TO THE CONTRACT: Changes can be made to the contract in any of the following ways:

1. The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.
2. The Purchasing Agency may order changes within the general scope of the contract at any time by written notice to the contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The contractor shall comply with the notice upon receipt. The contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Purchasing Agency a credit for any savings. Said compensation shall be determined by one of the

following methods:

- a. By mutual agreement between the parties in writing; or
- b. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the contractor accounts for the number of units of work performed, subject to the Purchasing Agency's right to audit the contractor's records and/or to determine the correct number of units independently; or
- c. By ordering the contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The contractor shall present the Purchasing Agency with all vouchers and records of expenses incurred and savings realized. The Purchasing Agency shall have the right to audit the records of the contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Purchasing Agency within thirty (30) days from the date of receipt of the written order from the Purchasing Agency. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this contract or, if there is none, in accordance with the disputes provisions of the Commonwealth of Virginia *Vendors Manual*. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the contractor from promptly complying with the changes ordered by the Purchasing Agency or with the performance of the contract generally.

P. DEFAULT: In case of failure to deliver goods or services in accordance with the contract terms and conditions, the Commonwealth, after due oral or written notice, may procure them from other sources and hold the contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the Commonwealth may have.

Q. OMITTED

R. OMITTED

S. OMITTED

T. INSURANCE: By signing and submitting a proposal under this solicitation, the bidder certifies that if awarded the contract, it will have the following insurance coverage at the time the contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the *Code of Virginia*. The bidder further certifies that the contractor and any subcontractors will maintain these insurance coverage during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

MINIMUM INSURANCE COVERAGES AND LIMITS REQUIRED FOR MOST CONTRACTS:

1. Workers' Compensation - Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the

Commonwealth of increases in the number of employees that change their workers' compensation requirements under the Code of Virginia during the course of the contract shall be in noncompliance with the contract.

2. Employer's Liability - \$100,000.
3. Commercial General Liability - \$1,000,000 per occurrence. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.
4. Automobile Liability - \$1,000,000 per occurrence. (Only used if motor vehicle is to be used in the contract.)

U. **ANNOUNCEMENT OF AWARD:** Upon the award or the announcement of the decision to award a contract over \$50,000, as a result of this solicitation, the purchasing agency will publicly post such notice on the DGS/DPS eVA web site (www.eva.virginia.gov) for a minimum of 10 days.

V. **DRUG-FREE WORKPLACE:** During the performance of this contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "*drug-free workplace*" means a site for the performance of work done in connection with a specific contract awarded to a contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

W. **NONDISCRIMINATION OF CONTRACTORS:** A bidder, offeror, or contractor shall not be discriminated against in the solicitation or award of this contract because of race, religion, color, sex, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the bidder or offeror employs ex-offenders unless the state agency, department or institution has made a written determination that employing ex-offenders on the specific contract is not in its best interest. If the award of this contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.

X. **eVA Business-To-Government Vendor Registration:** The eVA Internet electronic procurement solution, website portal www.eVA.virginia.gov, streamlines and automates government purchasing activities in the Commonwealth. The eVA portal is the gateway for vendors to conduct business with

state agencies and public bodies. All vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet e-procurement solution either through the eVA Basic Vendor Registration Service or eVA Premium Vendor Registration Service. All bidders or offerors must register in eVA; failure to register will result in the bid/proposal being rejected.

- a. eVA Basic Vendor Registration Service: \$25 Annual Registration Fee plus the appropriate order Transaction Fee specified below. eVA Basic Vendor Registration Service includes electronic order receipt, vendor catalog posting, on-line registration, electronic bidding, and the ability to research historical procurement data available in the eVA purchase transaction data warehouse.
- b. VA Premium Vendor Registration Service: \$25 Annual Registration Fee plus the appropriate order Transaction Fee specified below. eVA Premium Vendor Registration Service includes all benefits of the eVA Basic Vendor Registration Service plus automatic email or fax notification of solicitations and amendments.
- c. For orders issued prior to August 16, 2006, the Vendor Transaction Fee is 1%, capped at a maximum of \$500 per order.
- d. For orders issued August 16, 2006 and after, the Vendor Transaction Fee is:
 - (i) DMBE-certified Small Businesses: 1%, capped at \$500 per order.
 - (ii) Businesses that are not DMBE-certified Small Businesses: 1%, capped at \$1,500 per order.

Y. AVAILABILITY OF FUNDS: It is understood and agreed between the parties herein that the agency shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.

SECTION IV: SPECIAL TERMS AND CONDITIONS

- A. **ADVERTISING:** In the event a contract is awarded for services resulting from this IFB, no indication of such services to the Department of the Treasury will be used in sales literature or advertising. The contractor shall not state in any of its advertising or literature that the Commonwealth of Virginia has purchased or uses its services.
- B. **AUDIT:** The Contractor hereby agrees to retain all books, records and other documents relative to this contract for five (5) years after final payment, or until audited by the Commonwealth of Virginia, whichever is sooner. The agency, its authorized agents, and/or State auditors shall have full access to and the right to examine any of said materials during said period.
- C. **AWARD TO OTHER THAN THE LOWEST PRICED BIDDER(S):** An award(s) will be made to the lowest responsive and responsible bidder(s) however; the award may be made to a reasonably priced DMBE-certified small business bidder(s) that is other than the lowest priced bidder(s). Evaluation will be based on net prices. Unit prices, extensions and grand total must be shown. In case of arithmetic errors, the unit price will govern. If cash discount for prompt payment is offered, it must be clearly shown in the space provided. Discounts for prompt payment will not be considered in making awards. The right is reserved to make a separate award of each item, a group of items or all items, and to make an award either in whole or in part, whichever is deemed in the best interest of the Commonwealth. The State reserves the right to reject any and all bids in whole or in part, to waive any informality, and to delete items prior to making an award. The Commonwealth may cancel this Invitation for Bids or reject bids at any time prior to an award, and is not required to furnish a statement of the reason why a particular bid was not deemed to be the most advantageous (Section 11-65 D, Code of Virginia). The award document will be a contract incorporating by reference all the requirements, terms and condition of the solicitation and the contractor's proposal as negotiated (see Attachment A).
- D. **BID ACCEPTANCE PERIOD:** Any bid in response to this solicitation shall be valid for 60 days. At the end of 60 days, the bid may be withdrawn at the written request of the Bidder. If the bid is not withdrawn at that time it remains in effect until an award is made or the solicitation is cancelled.
- E. **BID PRICES:** The bid prices shall be in the form of a firm premium for the full four (4) year contract term. Extra charges will not be allowed.
- F. **CANCELLATION OF CONTRACT:** The Department of the Treasury reserves the right to cancel and terminate any resulting contract, in whole or in part, without penalty, upon 60 days written notice to the Contractor. In the event the initial contract period is for more than 12 months, the resulting contract may be terminated by either party, without penalty, after the initial 12 months of the contract period upon 60 days written notice to the other party. Any contract cancellation notice shall not relieve the Contractor of the obligation to perform on all outstanding issues prior to the effective date of the cancellation.
- G. **IDENTIFICATION OF BID ENVELOPE:** If a special envelope is not furnished, or if a return in the special envelope is not possible, the signed bid should be returned in a separate envelope or package. The envelope should be addressed as directed on the Title Page of this solicitation.
- H. **CONTRACTOR/SUBCONTRACTOR LICENSE REQUIREMENT:** By my signature on this solicitation, I certify that this firm/individual and subcontractor is properly licensed for providing the services specified herein.

Contractor Name: _____

Subcontractor Name: _____

License # _____ Type: _____

I. RENEWAL OF CONTRACT: This four (4) year contract is not renewable.

J. SMALL BUSINESS SUBCONTRACTING AND EVIDENCE OF COMPLIANCE:

1. It is the goal of the Commonwealth that 40% of its purchases be made from small businesses. This includes discretionary spending in prime contracts and subcontracts. All potential bidders are required to submit a Small Business Subcontracting Plan. Unless the bidder is registered as a DMBE-certified small business and where it is practicable for any portion of the awarded contract to be subcontracted to other suppliers, the contractor is encouraged to offer such subcontracting opportunities to DMBE-certified small businesses. This shall not exclude DMBE-certified women-owned and minority-owned businesses when they have received DMBE small business certification.

No bidder/offeror or subcontractor shall be considered a Small Business, a Women-Owned Business or a Minority-Owned Business unless certified as such by the Department of Minority Business Enterprise (DMBE) by the due date for receipt of bids or proposals. If small business subcontractors are used, the prime contractor agrees to report the use of small business subcontractors by providing the purchasing office at a minimum the following information: name of small business with the DMBE certification number, phone number, total dollar amount subcontracted, category type (small, women-owned, or minority-owned), and type of product/service provided.

2. Each prime contractor who wins an award in which provision of a small business subcontracting plan is a condition of the award, shall deliver to the contracting agency or institution on a quarterly basis, evidence of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor default) with the small business subcontracting plan. When such business has been subcontracted to these firms and upon completion of the contract, the contractor agrees to furnish the purchasing office at a minimum the following information: name of firm with the DMBE certification number, phone number, total dollar amount subcontracted, category type (small, women-owned, or minority-owned), and type of product or service provided. Payment(s) may be withheld until compliance with the plan is received and confirmed by the agency or institution. The agency or institution reserves the right to pursue other appropriate remedies to include, but not be limited to, termination for default.

3. Each prime contractor who wins an award valued over \$200,000 shall deliver to the contracting agency or institution on a yearly basis, information on use of subcontractors that are not DMBE-certified small businesses. When such business has been subcontracted to these firms and upon completion of the contract, the contractor agrees to furnish the purchasing office at a minimum the following information: name of firm, phone number, total dollar amount subcontracted, and type of product or service provided.

SECTION V: METHOD OF PAYMENT

Premium adjustments shall be based on Commonwealth of Virginia loss experience, changes in watercraft valuation, additions or deletions of watercraft, changes in watercraft use, changes in coverage or insurance market conditions.

Premium adjustments for changes in watercraft valuation or addition or deletion of watercraft will be effective on the date of change. All other adjustments will be on the anniversary date or contract extension date.

The Commonwealth shall be billed with the accompanying Addendum within 30 days of reported changes, to include additions or subtractions of vessels.

Send Invoices to: Department of the Treasury
 Division of Risk Management
 Attn: Joyce Palmer
 P.O. Box 1879
 Richmond, VA 23218-1879

SECTION VI: PRICING SCHEDULE:

Bidder agrees to provide Watercraft hull insurance and Loss Control Services to the Commonwealth of Virginia for the firm (total) premium of \$ _____ to be billed half in July and half on or after January 1.

July 1, 2008 – July 1, 2009 Watercraft Hull Insurance Coverage premium - \$ _____

Annual Loss Control and Inspection Services premium based upon a four (4) year contract - \$ _____

The Bid shall be in the form of a firm premium for Loss Control and Inspection Services for the life of the contract.

SECTION VII: ATTACHMENTS:

- A. Schedule of Watercraft
- B. Watercraft Loss History
- C. Watercraft Navigation Schedule
- D. Bidder Data Sheet
- E. Commonwealth of Virginia Contract
- F. Small Business Subcontracting Plan

Agency	Vessel	Description	Value	Deductible
University of Virginia	Windalin	1988 Grand Banks trawler	\$ 320,000	\$ 2,500
Old Dominion University	Fay Slover	2002 55' 1400 hp Custom built, diesel	\$ 1,300,000	\$ 10,000
Old Dominion University	Helene Rose	1974 32' Bristol, Hull # BTY321020673	\$ 15,000	\$ 1,000
Old Dominion University	No Problem	1978 26' Pearson Sloop - converted cabin cruiser	\$ 12,150	\$ 1,000
George Mason University	Hull ID #: WELCEA 15I001	2001 Wellcraft Model 3300 Martinique. Powered by twin gasoline engines.	\$ 197,500	\$ 2,500
VA Inst. of Marine Science	Bay Eagle	1980 61' Balsa/fg twin eng w/970hp diesel	\$ 216,000	\$ 2,500
VA Inst. of Marine Science	Elis Olsson	29' MonAik Aluminum	\$ 80,000	\$ 2,500
VA Inst. of Marine Science	Fish Hawk	1990 28' welded alum single eng w/280 hp diesel	\$ 88,000	\$ 2,500
VA Inst. of Marine Science	Pelican	Aluminum Plate w/ 2 Diesels (formerly Mike 8)	\$ 350,000	\$ 2,500
Tidewater Community College	Matthew F Maury	1965 51' welden alum twin eng w/1800 hp diesel	\$ 175,000	\$ 2,500
Marine Resources Commission	28' Protector	2007 F/G Hull # XRIP8YOGF606., twin 250hp Verado O/B	\$ 195,907	\$ 1,000
Marine Resources Commission	28' Protector	2007 F/G Hull # XRIP8YT7A707, twin 250hp Verado O/B	\$ 195,907	\$ 1,000
Marine Resources Commission	Cape Charles	1973 31' Bertram w/680 hp., # 561620	\$ 45,000	\$ 1,000
Marine Resources Commission	Commander RAM-Hull ID: SAMA1602	2005 Sea Ark Commander RAM V 27'	\$ 110,000	\$ 1,000
Marine Resources Commission	Commander RAM-Hull ID: SAMA1603	2005 Sea Ark Commander RAM V 27'	\$ 110,000	\$ 1,000
Marine Resources Commission	Commander RAM-Hull ID: SAMA1664	2004 Sea Ark Commander RAM V 27'	\$ 110,000	\$ 1,000
Marine Resources Commission	Commander RAM-Hull ID: SAMA1665	2004 Sea Ark Commander RAM V 27'	\$ 110,000	\$ 1,000
Marine Resources Commission	Hull I.D. SAMA1722K505; FLIR Ser. AE 0051	2006 Sea Ark 36-V Dauntless Ram, twin 370hp Diesels with FLIR (Forward Looking Infrared Radar)	\$ 600,000	\$ 6,000
Marine Resources Commission	Hull I.D. # SAMA 1682	2006 Sea Ark 36-V Dauntless Ram, twin 370hp Diesels.	\$ 350,000	\$ 2,500
Marine Resources Commission	Hull I.D. # SAMA 1746	2005 Sea Ark 27'	\$ 130,000	\$ 1,000
Marine Resources Commission	Hull I.D. # SAMA 1747	2005 Sea Ark 27'	\$ 130,000	\$ 1,000
Marine Resources Commission	Hull ID 1594	2004 3611-V Dauntless RAM V 36', 1027035	\$ 350,000	\$ 2,500
Marine Resources Commission	Hull ID 1661	2004 3611-V Dauntless RAM V 36', 1027035	\$ 600,000	\$ 6,000
Marine Resources Commission	J B Baylor	1994 42' Chesapeake Bay 300hp., # 1027035	\$ 300,000	\$ 2,500
Marine Resources Commission	Maycraft 2700	Maycraft 2700, 225 hp, Ser. # MBL 03933K102	\$ 59,300	\$ 1,000
Marine Resources Commission	Maycraft 2700	Maycraft 2700, 225 hp, Ser. # MBL 03934K102	\$ 59,300	\$ 1,000
Marine Resources Commission	Maycraft 2700	Maycraft 2700, 225 hp, Ser. # MBL 04344L203	\$ 59,300	\$ 1,000
Marine Resources Commission	Maycraft 2700	Maycraft 2700, 225 hp, Ser. # MBL 04344A203	\$ 59,300	\$ 1,000
Marine Resources Commission	Stratford	1979 31' Bertram w/680 hp, # 615385	\$ 50,800	\$ 1,000
Marine Resources Commission	Tangier	1976 31' Bertram w/680 hp., # 314910	\$ 46,000	\$ 1,000
Jamestown-Yorktown Foundation	Discovery	2007 New Construction Replica - 49'6", 27 ton sailboat	\$ 1,731,316	\$ 17,313
Jamestown-Yorktown Foundation	Elizabeth	68' sailboat, 43.5 ton displacement, 1127 sq ft w/o aux (formerly Godspeed)	\$ 400,000	\$ 2,500
Jamestown-Yorktown Foundation	Godspeed	2006 - 68' sailboat	\$ 2,651,000	\$ 26,510

Jamestown-Yorktown Foundation	Susan Constant	1990 82' 270 hp Diesel	\$ 2,315,200	\$ 23,152
Department of Transportation	Pocahontas	1995 256' Steel Ferry 1500 hp	\$ 7,200,000	\$ 40,000
Department of Transportation	Surry	1979 199' Steel Ferry 1450 hp	\$ 5,100,000	\$ 40,000
Department of Transportation	Virginia	1936 152' Steel Ferry 450 hp	\$ 1,000,000	\$ 40,000
Department of Transportation	Williamsburg	1979 199' Steel Ferry 1450 hp	\$ 6,400,000	\$ 40,000

ATTACHMENT B

Loss History

Watercraft Hull Claims from July 1, 1994 to December 31, 2007

<u>DATE</u>	<u>AMOUNT</u>	<u>AGENCY</u>	<u>DESCRIPTION</u>
09/18/03	\$3,836	Old Dominion University	“Tencendur” hull damage – Isabelle
11/17/05	\$81,116	Department of Transportation	“Pocahontas” ferry struck dock
06/04/98	\$1,616.26	Old Dominion University	“AKA” struck submerged object
01/08/98	\$27,812.03	Department of Transportation	“Virginia” fire in exhaust system
07/08/97	\$1,542.15	University of Virginia	“Nema” taking on water
12/28/94	\$2,904.17	Marine Resources Commission	“Cape Henry” hull damage
12/18/94	\$2,421.27	Marine Resources Commission	“Stratford” struck submerged object
06/09/94	\$1,007.35	Marine Resources Commission	“Wolftrap” collision with Chris Craft

ATTACHMENT C
WATERCRAFT NAVIGATION

COMMONWEALTH OF VIRGINIA

WATERCRAFT NAVIGATION

#207 – University of Virginia

Confined to Atlantic coastal waters from Cape May, New Jersey to Cape Hatteras, North Carolina not to exceed five (5) miles offshore.

#221 – Old Dominion University

Confined to the Atlantic coast and inland tributary waters between Ocean City, Maryland and Cape Lookout, North Carolina, but not more than one hundred (100) miles offshore.

#247 – George Mason University

Confined to waters of the upper Potomac River.

#268 – VA Institute of Marine Science

Confined to the use and navigation of the Chesapeake Bay and tributaries and inland waters not exceeding one hundred (100) miles into the Atlantic Ocean as measured by the perpendicular from the vessel to land within the longitudinal limits of 43 degrees North and 35 degrees 30 minutes North. These limitations include navigation to Oregon Inlet, North Carolina.

#295 – Tidewater Community College

Confined to the Chesapeake Bay and tributaries.

#402 – Marine Resources Commission

Confined to use and navigation of the waters of the Chesapeake Bay and tributaries and tidal waters not exceeding one hundred (100) miles from Cape Henry in the Atlantic Ocean, including navigation to Oregon Inlet, North Carolina, but not North of 39 degrees North or south of 35 degrees North.

#425 – Jamestown-Yorktown Foundation

Confined to Chesapeake Bay and navigable tributaries.

#501 – Department of Transportation

Confined to the inland waters of Virginia.

ATTACHMENT D
WATERCRAFT CONTRACTOR DATA SHEET

Bidder Qualification: The Bidder must have the capability and capacity in all respects to fully satisfy all the contractual requirements.

- A. Number of years in business of providing Watercraft Hull Insurance and Loss Control Services:

- B. Address of servicing office: _____

- C. Number of years this office has been providing Watercraft Hull Insurance and Loss Control Services:

- D. Principal person serving as contact for this account:

- E. Principal person's phone number: _____
- F. Principal person's years of experience in providing Watercraft Hull Insurance and Loss Control Services: _____
- G. Client references: Please indicate below, the 4 largest Watercraft Hull Insurance and Loss Control Services accounts to include the name of client/organization, contract person, telephone and number of watercraft serviced over 26 feet.
1. _____
2. _____
3. _____
4. _____

COMMONWEALTH OF VIRGINIA CONTRACT
DEPARTMENT OF THE TREASURY
Division of Risk Management
Watercraft Hull Insurance and Loss Control Services

Contract # RM 08-016

This Contract is entered into this ___ day of _____, 2008, by _____, hereinafter called the "Contractor", and the Commonwealth of Virginia Department of the Treasury, hereinafter called the "Purchasing Agency".

WITNESSETH that the Contractor and the Purchasing, in consideration of the mutual covenants, promises, and agreements herein contained, agree as follows:

SCOPE OF CONTRACT: The Contractor shall provide the services to the Commonwealth as set forth in the Contract Documents.

PERIOD OF CONTRACT: From July 1, 2008 (12:01 a.m. EST) – July 1, 2012 (12:01 a.m. EST), with an option to extend the period for two (2) successive one-year periods upon mutual written agreement.

CONTRACT DOCUMENTS: The Contract Documents shall consist of:

- (1) This signed Contract;
- (2) The following portions of the Invitation for Bids dated _____:
 - (a) The Scope of Service
 - (b) The General Terms and Conditions
 - (c) The Special Terms and Conditions, together with any negotiated modifications of those Special Conditions
- (3) The Contractor's Bid dated [XXXX ##, 20##]; and
- (4) _____.

IN WITNESS WHEREOF the parties have caused this Contract to be duly executed intending to be bound thereby, and certify they are authorized to sign this Contract for the Contractor or the Commonwealth.

CONTRACTOR

PURCHASING AGENCY

(Signature)

(Signature)

(Printed Name)

(Printed Name)

(Title)

(Title)

(Date)

(Date)

Note: This public body does not discriminate against faith-based organizations in accordance with the *Code of Virginia*, Section 2.2-4343.1 or against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

**ATTACHMENT F
SMALL BUSINESS SUBCONTRACTING PLAN**

Definitions

Small Business: "Small business " means an independently owned and operated business which, together with affiliates, has 250 or fewer employees, or average annual gross receipts of \$10 million or less averaged over the previous three years. Note: DMBE-certified women- and minority-owned businesses shall also be considered small businesses when they have received DMBE small business certification.

Women-Owned Business: Women-owned business means a business concern that is at least 51% owned by one or more women who are citizens of the United States or non-citizens who are in full compliance with United States immigration law, or in the case of a corporation, partnership or limited liability company or other entity, at least 51% of the equity ownership interest is owned by one or more women who are citizens of the United States or non-citizens who are in full compliance with United States immigration law, and both the management and daily business operations are controlled by one or more women who are citizens of the United States or non-citizens who are in full compliance with the United States immigration law.

Minority-Owned Business: Minority-owned business means a business concern that is at least 51% owned by one or more minority individuals or in the case of a corporation, partnership or limited liability company or other entity, at least 51% of the equity ownership interest in the corporation, partnership, or limited liability company or other entity is owned by one or more minority individuals and both the management and daily business operations are controlled by one or more minority individuals.

All small businesses must be certified by the Commonwealth of Virginia, Department of Minority Business Enterprise (DMBE) by the due date of the solicitation to participate in the SWAM program. Certification applications are available through DMBE online at www.dmbv.virginia.gov (Customer Service).

Bidder Name: _____

Preparer Name: _____ **Date:** _____

Instructions

- A. If you are certified by the Department of Minority Business Enterprise (DMBE) as a small business, complete only Section A of this form. This shall not exclude DMBE-certified women-owned and minority-owned businesses when they have received DMBE small business certification.
- B. If you are not a DMBE-certified small business, complete Section B of this form. For the bid to be considered and the bidder to be declared responsive, the bidder shall identify the portions of the contract that will be subcontracted to DMBE-certified small business in Section B.

Section A

If your firm is certified by the Department of Minority Business Enterprise (DMBE), are you certified as a **(check only one below):**

_____ Small Business

_____ Small and Women-owned Business

_____ Small and Minority-owned Business

Certification number: _____

Certification Date: _____

Section B

Populate the table below to show your firm's plans for utilization of DMBE-certified small businesses in the performance of this contract. This shall not exclude DMBE-certified women-owned and minority-owned businesses that have received the DMBE small business certification. Include plans to utilize small businesses as part of joint ventures, partnerships, subcontractors, suppliers, etc.

B. Plans for Utilization of DMBE-Certified Small Businesses for this Procurement

Small Business Name & Address DMBE Certificate #	Status if Small Business is also: Women (W), Minority (M)	Contact Person, Telephone & Email	Type of Goods and/or Services	Planned Involvement During Initial Period of the Contract	Planned Contract Dollars During Initial Period of the Contract
Totals \$					

